

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

**UNITED SERVICES AUTOMOBILE
ASSOCIATION,**

Plaintiff,

v.

PNC BANK N.A.,

Defendant.

Civil Action No. 2:21-cv-246-JRG (Lead)
2:22-cv-00193-JRG

USAA’S STATUS REPORT

Pursuant to the Court’s order at the January 18, 2023 status conference, USAA hereby submits this report regarding pending issues to be resolved by the Court prior to entering judgment.

USAA’s Motion for a New Trial on Damages. As discussed at the January 18 status conference, USAA will file by Monday, January 23 a motion for new trial on damages. USAA is filing this motion in advance of the Rule 59 deadline to address serious issues with the damages testimony that PNC presented to the jury. Because the motion, if granted, would require re-opening any judgment, USAA submits that it would be efficient for the Court take up this motion before entry of final judgment.

Unresolved Equitable Defenses. Both PNC and USAA have unresolved equitable defenses in the case that must be adjudicated before final judgment can be entered.

First, PNC still maintains its Sixth Affirmative Defense (Prosecution History Estoppel) and

Tenth Affirmative Defense (Preclusion) directed at USAA's patents. Dkt. 65.¹ For example, USAA presented at trial testimony that PNC infringes claim 1, element (e) of the '598 Patent literally or under the doctrine of equivalents. Trial Tr. pp. 321-322. PNC contends that prosecution history estoppel bars the doctrine of equivalents as to claim 1 of the '598 Patent. PNC previously proposed dismissing these defenses without prejudice. However, because these defenses could upset the verdict of infringement that has been rendered by the jury, USAA does not believe a dismissal without prejudice of these defenses is appropriate. USAA is entitled to a final adjudication of PNC's defenses, and they must be either adjudicated or waived. PNC cannot hold them in reserve for some later date, and allowing withdrawal of these defenses without prejudice would mean that PNC may retain the right to re-raise them after the affirmance of the verdict by the Federal Circuit, upsetting the finality of the Federal Circuit decision. In short, USAA seeks to have "quiet title" as to the patents against which these defenses were raised.

Second, USAA's affirmative defense of inequitable conduct as to the PNC Patents has not been adjudicated. In view of the jury verdict, USAA has determined not to proceed on this defense and it can be dismissed with prejudice.

Dated: January 20, 2023

Respectfully submitted,

/s/ Robert Christopher Bunt

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¹ PNC indicated at the January 18 status conference it would consider waiving these defenses, but USAA has received no further indication PNC is dropping them. To the extent PNC indicates in its status report that the defenses are waived, then they should be dismissed with prejudice.

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***ATTORNEYS FOR PLAINTIFF UNITED
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CERTIFICATE OF SERVICE

I hereby certify that, on January 20, 2023, a copy of the foregoing document was filed and served via ECF on all counsel of record.

/s/ Robert Christopher Bunt
ROBERT CHRISTHOPER BUNT